

division of community services



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Community Development Action Grant Program

Fact Sheet

The Community Development Action Grant (CDAG) program, funded by the Commonwealth, provides public infrastructure support in those instances where private investment would not occur except for the CDAG grant. The goal is to stimulate economic development activities that will attract and leverage private investment, create or retain long-term employment and revitalize distressed areas.

How it works

Any city or town in the Commonwealth acting by and through its municipal officers may apply to the Department of Housing and Community Development (DHCD) for CDAG money to help attract and leverage private investment, create/retain jobs for low- and moderate-income persons, and address the needs of blighted neighborhoods.

CDAG can be used in a variety of ways. In the past, the program has been used for projects that involved the installation, improvement, construction, alteration, enlargement, repair, rehabilitation, remodeling and/or reconstruction of publicly-owned or managed properties. Other projects include the building, repair and rehabilitation of facades, streets, roadways, thoroughfares, sidewalks, rail spurs, utility distribution systems, water and sewer lines for site preparation and improvements, demolition and relocation assistance.

CDAG is part of the Commonwealth Capital program. CDAG proposals will therefore be evaluated using two sets of criteria:

- program specific sustainable development criteria related to the purpose of the particular program, in this case CDAG.
- municipal policy criteria related to the overall use of a municipality's powers to promote sustainable

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- development, and in particular, to address four major Commonwealth interests: redevelopment of previously developed areas; housing production; protection of farms, forests, and other open space, and drinking water supply protection.

Application process

The first step in the application process is a site visit, followed by the submission of a Preliminary Project Analysis. If the Preliminary Analysis proves a project to be CDAG eligible, the community will receive the CDAG project application, the CDAG Sustainable Development Scorecard and the Office for Commonwealth Development's (OCD) Municipal Criteria Scorecard.

The CDAG program requires that:

- the project is located in a decadent, substandard, blighted area;
- the project is first and foremost in the interest of the public and that any benefit to private entities and individuals is indirect and incidental;
- the project will have a significant impact on the economic condition of the city or town;
- government subsidy and private enterprise alone would not be able to make the project available for redevelopment;
- the amount of the grant appears to be the minimum amount necessary to get the project off the ground; *and*
- there exist firm commitments of other resources, both public and private, that when added to the grant, render the project financially sound.

CDAG evaluation is as follows:

- the comparative degree of economic distress among applicants;
- the comparative degree of physical deterioration of the areas in question;
- the performance of the eligible entity;
- the impact of the proposed project on residents, particularly low- and moderate-income persons and minorities, and the residential neighborhood;
- the extent to which the project represents a special or unique opportunity to meet the local needs; *and*
- the feasibility of completing the project in a timely fashion within the grant amount available.

Complete applications will be scored in competitive rounds. The evaluation includes the CDAG eligibility review (threshold), the CDAG Sustainable Development Scorecard review (80%), and the Municipal Criteria Scorecard (20%). The highest scoring projects will be recommended to OCD for funding.

Grant amounts

\$1,000,000 maximum per municipality.

For more information

Please contact DHCD's Division of Community Services at (617) 573-1400. The staff is also available by appointment to provide assistance with applications.